

SB251-raising the limit on prevailing wages

Chairman Buttrey and members of the Senate Business, Labor & Economic Affairs Committee , I am Senator Dee Brown from the northern part of Flathead County. I represent SD2 which is the Whitefish, Columbia Falls and Badrock Canyon communities all the way to Glacier National Park and south to the outskirts of Kalispell. It is the huckleberry and grizzly capital of Montana.

SB251 addresses prevailing wages for small bid projects which happen across Montana. Bid limits were raised from \$50,000 to \$80,000 last session for certain purchase and construction contracts. The prevailing wages were never moved to the \$80,000 threshold in SB77 last session to match the bid amount, however.

SB251 raises the prevailing wage to meet this target for small projects in our cities, counties and school districts along with it. Senator Brenden's SB88 left out conservation districts in his bill last session so they would also be under the purview of SB251 if it passes this session and when you pass SB251 out of committee.

I urge a 'do pass' on SB251 to match the prevailing wages with the small bid project limit of \$80,000 and ask for the right to close.

Dee Brown, SD2

Talking points:

1. The Bid Limit was revised to \$80,000 to allow for small/easy jobs. Before the increase, the bid limit and prevailing wages were both \$50,000. I believe it was an oversight not to increase prevailing wages at the same time as the bid limit.
2. By requiring prevailing wages at \$50,000, when doing a project up to the \$80,000, the City must still put together a bid packet including prevailing wages and all of the subsequent information, essentially still requiring bids at \$25,000 and by-passing the intent of the \$80,000 bid requirement.
3. The \$80,000 bid limit allowed for small jobs to be quoted without increasing the cost with bid advertising and bid bonds. As in our city, we maintain a small works roster where vendors have indicated an interest in doing work for us in all areas: water/sewer line install, painting, plumbing, general contracting, etc. When we need a small job done, we call at least 3 vendors and get price quotes. We then enter into a contract with the vendor for the best price. Not a problem for jobs under \$25,000. If however, the City estimates the project at \$30,000, the city must also identify the types of work to be done and the prevailing wage schedules and essentially put together a bid book (about an inch thick) for the contractors to "quote." The contractors then put together their quote/bid, and the city selects the best one. Even in our area where the contractors are paying decent wages, the contractor ends up paying an additional \$2-3/hour more because it is a government project and subject to prevailing wages.